

Message Text

PAGE 01 NATO 01186 01 OF 04 041958Z

71

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15 TRSE-00

SAJ-01 SS-20 NSC-07 ACDA-19 OMB-01 AEC-11 DRC-01 /140 W

----- 110793

P R 041650Z MAR 74

FM USMISSION NATO

TO SECSTATE WASHDC PRIORITY 4410

SECDEF WASHDC PRIORITY

INFO AMEMBASSY COPENHAGEN

S E C R E T SECTION 1 OF 4 USNATO 1186

E.O. 11652: GDS, 12-31-82

TAGS: MCAP, NATO

SUBJECT: NATO FORCE PROPOSALS/GOALS - DENMARK

REF: USNATO 1014

TEXT OF DRAFT COUNTRY CHAPTER (EXCEPT FOR INTRODUCTION) ON
1975-80 DRAFT FORCE GOALS FOR DENMARK (DRC/WP(74)1) IS QUOTED
BELOW:

BEGIN TEXT:

II. FORCE PROPOSALS

3. THE OBJECTIVE OF THE MAJOR NATO COMMANDERS' FORCE
PROPOSALS IS TO PROVIDE, FROM AN ALLIANCE-WIDE MILITARY
POINT OF VIEW, THE FORCE STRUCTURE NECESSARY FOR THEM TO
DISCHARGE THEIR MISSIONS; AT THE SAME TIME THE PROPOSALS
ALSO ATTEMPT TO ALLEVIATE TO THE EXTENT POSSIBLE THE
REDUCTION IN FORCE CAPABILITIES AND ADVERSE CONSEQUENCES FOR
THE ALLIANCE RESULTING FROM THE RESTRUCTURING OF THE DANISH
FORCES, ABOUT WHICH THE NATO MILITARY AUTHORITIES
AND THE DEFENCE PLANNING COMMITTEE EXPRESSED CONCERN
IN 1973(1).

SECRET

PAGE 02 NATO 01186 01 OF 04 041958Z

(1) SEE MCM-17-73 OF 1ST MARCH 1973 AND PO/73/40 OF
14TH MARCH, 1973.

THE NATO MILITARY AUTHORITIES CONSIDER THE MEASURES PROPOSED FOR THE PERIOD 1975-1980 TO BE THE MINIMUM REQUIREMENTS IF NATO FORCES ARE TO MAINTAIN A CREDIBLE DETERRENT. THE FORCE PROPOSALS ARE BASED ON THE PREMISE THAT, UNLESS STATED OTHERWISE, THE FORCE LEVELS AND THE IMPROVEMENT MEASURES INDICATED IN THE CURRENT NATIONAL FORCE PLANS UP TO 1978 ARE MAINTAINED AND IMPLEMENTED AS IDENTIFIED IN THE 1973 DEFENCE REVIEW. THE FORCE PROPOSALS REFLECT THESE COUNTRY FORCE PLANS IN MANY CASES, BUT MOST MEASURES CALLED FOR ARE IN ADDITION TO THOSE CONTAINED IN COUNTRY PLANS.

4. THE MAIN QUANTITATIVE CHANGES AND QUALITATIVE IMPROVEMENTS FOR THE FORCES PLANNED BY DENMARK AND THE PRINCIPAL IMPROVEMENTS PROPOSED BY THE NATO MILITARY AUTHORITIES ARE SUMMARISED BRIEFLY BELOW.

ARMY

5. THE CURRENT ARMY FORCE PLAN FOR THE PERIOD 1973-1978 REFLECTS THE RESTRUCTURING RESULTING FROM THE NEW DEFENCE ACT OF APRIL 1973. THIS CALLS FOR A PROGRESSIVE INCREASE IN THE PROPORTION OF REGULARS, REDUCED CONSCRIPT SERVICE FROM TWELVE TO NINE MONTHS, REDUCED THE SIZE OF THE STANDING FORCE AND PLACED GREATER RELIANCE ON MOBILISATION FORCES. IT ALSO CLEARED THE WAY FOR A NUMBER OF DECISIONS IN THE PROCUREMENT FIELD. THESE ARE DESIGNED PRIMARILY TO ACHIEVE IMPROVEMENTS IN AIR DEFENCE AND ANTI-ARMOUR CAPABILITIES. SOME 60 TOW ANTI-TANK GUIDED WEAPONS AND APPROXIMATELY 1,000 MISSILES ARE TO BE PROCURED, AND 600 REDEYE ANTI-AIRCRAFT MISSILES SHOULD ENTER SERVICE. TWO HUNDRED MEDIUM TANKS ARE PLANNED TO REPLACE THE CENTURION TANKS BEFORE 1978. THERE ARE ALSO PLANS FOR PROCUREMENT OF ARMoured FIGHTING VEHICLES (AFV) MOUNTED WITH 20-30 MM GUNS, NBC EQUIPMENT ON A LIMITED SCALE, MODERN ELECTRONIC WARFARE (EW) EQUIPMENT AND THE INTRODUCTION OF A NEW INFANTRY WEAPON.

SECRET

PAGE 03 NATO 01186 01 OF 04 041958Z

6. THE NEW FORCE PROPOSALS RE-EMPHASIZE A NUMBER OF THESE MEASURES; IN FACT EIGHT OUT OF THE 29 ARMY PROPOSALS ARE COVERED BY NATIONAL PLANS. THE MOST IMPORTANT INCLUDE LOW LEVEL AIR DEFENCE, THE REPLACEMENT OF TANKS, THE PROVISION OF MINELAYING EQUIPMENT, IMPROVEMENT OF MEDICAL SUPPORT CAPABILITIES, THE INTRODUCTION OF MODERN INFANTRY WEAPONS, AND MEASURES TO IMPROVE ELECTRONIC WARFARE CAPABILITIES AND NBC DEFENCE.

7. THE SIGNIFICANT PROPOSALS WHICH ARE NOT ALREADY COVERED BY NATIONAL PLANS ARE:

(A) THE PROVISION OF A NUMBER OF ADDITIONAL ARMoured FIGHTING VEHICLES TO ENHANCE THE COMBAT EFFECTIVENESS OF THE MECHANISED UNITS:

APPROXIMATE COST 63 MILLION DANISH KRONER.

(B) AN INCREASE IN THE TRAINING OF RESERVISTS AND
RESERVE FORMATIONS (IN CONSEQUENCE OF THE HEAVY
RELIANCE ON RESERVES TO BRING UNITS UP TO WAR
AUTHORISED STRENGTH): APPROXIMATE COST
D.KR. 257 MILLION.

(C) THE RE-EQUIPMENT OF ANTI-AIRCRAFT BATTERIES
WITH MODERN AIR DEFENCE ARTILLERY WEAPONS, SUCH
AS VULCAN AND CHAPARRAL, FOR THE AIR DEFENCE OF
TWO AIR BASES: APPROXIMATE COST D.KR. 297 MILLION.

(D) RESTORING SHORTFALLS IN OPERATIONAL STOCKS OF
EQUIPMENT AND AMMUNITION TO ACHIEVE A MINIMUM
LEVEL OF 30 COMBAT DAYS: APPROXIMATE COST
D.KR. 453 MILLION.

THESE PROPOSALS COVER ABOUT 75 PER CENT OF THE TOTAL OF THE COSTED
FORCE PROPOSALS FOR THE ARMY (WHICH TOTAL 480 MILLION DANISH
KRONER).

8. OTHER PROPOSALS (PRIORITY II) WHICH ARE NOT IN
COUNTRY PLANS AND WHICH MAKE UP THE REMAINING 25 PER CENT OF COSTED
PROPOSALS INCLUDE FURTHER MEASURES FOR IMPROVING ELECTRONIC
WARFARE CAPABILITIES AND NBC DEFENCE.
SECRET

PAGE 04 NATO 01186 01 OF 04 041958Z

NAVY

9. THE DANISH NAVY PLANS TO INTRODUCE INTO SERVICE WITHIN
THE PERIOD 1975-1980 10 GUIDED MISSILE FAST PATROL BOATS, TWO MINE-
LAYERS, ONE OCEAN ESCORT AND EIGHT ATTACK HELICOPTERS. AT THE
SAME TIME THEY INTEND TO START CONSTRUCTION OF TWO OF THE THREE
NEW COASTAL ESCORTS INTENDED AS REPLACEMENT OF THE EXISTING FOUR
SHIPS OF THIS TYPE. THERE IS ALSO A PROGRAMME TO FIT POINT DEFENCE
MISSILE SYSTEMS IN THE TWO DESTROYERS AND IN FOUR MINELAYERS,
ALTHOUGH THIS LATTER PROGRAMME IS UNCERTAIN AT THE PRESENT TIME.
IN THE LONG TERM IT IS PLANNED TO REPLACE THE EXISTING SIX
SUBMARINES. THE FITTING OF SURFACE-TO-SURFACE MISSILES IN THE
TWO EXISTING DESTROYERS AND THE NEW COASTAL ESCORTS IS STILL
UNDER STUDY IN DENMARK. CERTAIN OF THE PROGRAMMES HAVE RECENTLY
SUFFERED DELAYS, EITHER IN CONSTRUCTION, AS IS THE CASE FOR THE
OCEAN ESCORT, OR IN THE FITTING OF POINT DEFENCE MISSILE SYSTEMS.

SECRET

PAGE 01 NATO 01186 02 OF 04 042105Z

71
ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15 TRSE-00

SAJ-01 SS-20 NSC-07 ACDA-19 OMB-01 AEC-11 DRC-01 /140 W

----- 111492

P R 041650Z MAR 74

FM USMISSION NATO

TO SECSTATE WASHDC PRIORITY 4411

SECDEF WASHDC PRIORITY

INFO AMEMBASSY COPENHAGEN

S E C R E T SECTION 2 OF 4 USNATO 1186

10. THE FORCE PROPOSALS ENDORSE THESE PLANS, AND SEEK TO EXTEND THE GUIDED MISSILE FAST PATROL BOAT PROGRAMME SO THAT BY 1981 THERE WILL BE 22 OF THESE UNITS FITTED WITH SURFACE-TO-SURFACE MISSILES, WIRE GUIDED TORPEDOES, DATA DISPLAY SYSTEMS AND HAVING A MINE LAYING CAPABILITY (PRIORITY I). THERE ARE ALSO PROPOSALS FOR THE CONSTRUCTION OF ONE MORE COASTAL ESCORT TO ENTER SERVICE IN 1981 (PRIORITY I) AND ONE MORE MINELAYER TO ENTER SERVICE BY END-1978 (PRIORITY II).

11. FORM A QUALITATIVE POINT OF VIEW THE FORCE PROPOSALS PLACE EMPHASIS ON SURVIVABILITY AND THERE ARE PRIORITY I MEASURES TO IMPROVE THE ELECTRONIC WARFARE CAPABILITY OF ALL SURFACE UNITS AND TO FIT SURFACE-TO-SURFACE MISSILES AND MODERN RADAR IN THE TWO DESTROYERS (PRIORITY I); TO PROVIDE THE HELICOPTERS EMBARKED IN OCEAN ESCORTS WITH ASW TORPEDOES (PRIORITY II) AND TO IMPROVE THE SELF-DEFENCE OF THESE ESCORTS WITH POINT DEFENCE MISSILE SYSTEMS (PRIORITY III).

12. THERE ARE ALSO PRIORITY II AND PRIORITY III PROPOSALS TO INCREASE WAR RESERVES TO A 90 DAY LEVEL BY 1980 FOR LONG LEAD ITEMS, AND TO A 45 DAY LEVEL FOR OTHER ITEMS; TO IMPROVE NBC DEFENSIVE CAPABILITY, AND TO PROVIDE LAND BASED MOBILE SURFACE-TO-SURFACE MISSILE SYSTEMS IN THE COASTAL DEFENCE ORGANISATION. THE REMAINING PRIORITY III PROPOSALS
SECRET

PAGE 02 NATO 01186 02 OF 04 042105Z

ARE MAINLY CONCERNED WITH THE DEFENCE OF NAVAL SHORE INSTALLATIONS AND PLANNING FOR NEW GENERATION WEAPON SYSTEMS.

13. THE TOTAL OF THE FORCE PROPOSALS COSTED OVER AND ABOVE COUNTRY PLANS IS ESTIMATED AT D.KR. 1,440 MILLION. LACK OF DATA PRECLUDED THE COSTING OF THE PROPOSALS REGARDING WAR RESERVES AND THE DEFENCE OF SHORE INSTALLATIONS. OF THE TOTAL OF D.KR. 1,440 MILLION THE QUANTITATIVE INCREASES REPRESENTED SOME 58 PER CENT AND THE QUALITATIVE IMPROVEMENTS 42 PER CENT. THE FORCE PROPOSAL FOR THE CONSTRUCTION OF 12 GUIDED MISSILE FAST PATROL BOATS WAS THE MOST COSTLY, AMOUNTING TO DOME D.KR. 642 MILLION OR 44 PER CENT OF THE TOTAL. THE SHORE-TO-SHIP MISSILE SYSTEMS

REPRESENTED ABOUT 14 PER CENT OF THE TOTAL AND IMPROVEMENT OF THE ELECTRONIC WARFARE CAPABILITY 11 PER CENT.

14. A COMPARISON OF THE FORCE PROPOSAL TABLES AND COUNTRY PLANS UP TO 1978 INDICATES REQUIREMENTS FOR INCREASES IN THE READINESS AND AVAILABILITY OF UNITS, WHICH ARE NOT SHOWN IN SPECIFIC FORCE PROPOSALS. THEY IMPLY ADDITIONAL MONEY AND MANPOWER, BUT HAVE NOT BEEN COSTED BECAUSE OF THE LACK OF PRECISE DATA. THERE ARE CHANGES WITHIN THE 15 CATEGORIES OF READINESS AND AVAILABILITY AND THE FOLLOWING SHOWS THE INCREASES CALLED FOR IN CATEGORY A-1:

DESTROYERS - 2 FROM 1975 TO 1978

SUBMARINES - 4 IN 1975 AND 5 AND 1976 TO 1978

COASTAL ESCORTS - 2 FROM 1975 TO 1978

GUIDED MISSILE FAST - 10 IN 1975, 12 IN 196, 14 IN
PATROL BOATS/FAST PATROL 1977 AND 1978
BOTAS

MINELAYERS - 4 IN 1975, 6 FROM 1976 TO 1978

MINESWEEPERS - 4 IN 1975, 11 IN 1976,
12 IN 1977 AND 1978

SEAWARD DEFENCE CRAFT - 8 FROM 1975 TO 1978

SECRET

PAGE 03 NATO 01186 02 OF 04 042105Z

HELICOPTERS - 4 IN 1976

FOR THE MOST PART OPERATIONAL UNITS IN THE DANISH NAVY ARE REPORTED IN CATEGORY B-1 AND CATEGORY C-1 BECAUSE OF MANPOWER SHORTAGES. TO MEET THE CATEGORY A-1 STANDARDS MORE MEN WOULD BE NEEDED, A REQUIREMENT WHICH AT PRESENT CAN ONLY BE MET BY MOBILISATION.

AIR FORCE

15. THE MAIN FEATURE OF THE 1974-1978 FORCE PLAN OF THE DANISH AIR FORCE IS THE PROCUREMENT OF SUFFICIENT F-100 AND F-35 DRAGON AIRCRAFT TO MAINTAIN THE NUMBER OF AIRCRAFT IN THE SQUADRONS AT ITS PRESENT LEVEL, FOLLOWING THE DISBANDMENT OF ONE DAY-FIGHTER SQUADRON IN 1973. QUALITATIVE IMPROVEMENT OF THE AIRCRAFT IN THE INVENTORY IS ALSO PLANNED THROUGH THE ACQUISITION OF SELF PROTECTION EQUIPMENT FOR THE OFFENSIVE AIRCRAFT, AND THERE ARE PLANS TO FIT THE TF-104 AIRCRAFT WITH JAMMING PODS. THE DRAGON RF-35 RECONNAISSANCE AIRCRAFT WILL RECEIVE NIGHT RECONNAISSANCE EQUIPMENT DURING 1974-1975. COUNTRY PLANS ALSO PROVIDE FOR THE PROCUREMENT OF ADDITIONAL

40 MM GUNS FOR THE LOW LEVEL AIR DEFENCE OF FOUR AIRBASES AND
40 MM RADAR CONTROLLED GUNS FOR THE PROTECTION OF TWO AIRFIELDS.

16. AN IMPORTANT FEATURE OF THE FORCE PROPOSALS IS THE
RECOMMENDED REPLACEMENT OF THE TWO F-100 AND TWO F-104 SQUADRONS
BY 1977 AND 1980 RESPECTIVELY; THIS WOULD REQUIRE 72 MODERN TYPE
AIRCRAFT. THE COUNTRY PLANS ENVISAGE THE REPLACEMENT OF THE
TWO F-100 SQUADRONS AFTER 1978. NO REPLACEMENT IS PLANNED FOR
THE IDF SQUADRON. THE FORCE PROPOSALS INDICATE THAT THE
REPLACEMENT OF BOTH THE TWO OFFENSIVE AND THE TWO DEFENSIVE
SQUADRONS BY AN AIRCRAFT SUCH AS THE PHANTOM F-4E WOULD COST
ABOUT 3,400 MILLION DANISH KRONER, WHICH REPRESENTS ABOUT 67 PER
CENT OF THE TOTAL AMOUNT OF PROPOSALS COSTED.

17. HIGH PRIORITY IS ALSO GIVEN IN THE FORCE PROPOSALS TO
THE PROVISION OF A LOW ALTITUDE SURFACE-TO-AIR MISSILE (SAM)
HAWK-TYPE BATTERY AT EACH OF THE TWO OFFENSIVE AIR BASES
(APPROXIMATE COST D.KR. 223 MILLION) AND TO THE PROVISION OF
FOUR SHORT RANGE ALL-WEATHER AIR-BASE DEFENCE UNITS (SHORAD) FOR
POINT DEFENCE OF FOUR BASES. COUNTRY PLANS FORESEE ONLY
SECRET

PAGE 04 NATO 01186 02 OF 04 042105Z

PROCUREMENT OF RADAR CONTROLLED GUNS FOR TWO BASES AND THE
ADDITIONAL FUNDS REQUIRED FOR A RAPIER TYPE SHORAD SYSTEM,
DEPLOYED ON FOUR BASES, ARE ESTIMATED AT D.KR. 805 MILLION.

18. THE FORCE PROPOSALS FURTHER ENDORSE THE PLANNED
PROCUREMENT OF ELECTRONIC WARFARE SELF PROTECTION EQUIPMENT FOR
THE F-100 AND DRAKEN OFFENSIVE AIRCRAFT AND OF CHAFF EJECTION
DEVICES FOR THE TF-104 AIRCRAFT. THE INSTALLATION OF SELF
PROTECTION EQUIPMENT IN 40 F-104 AIRCRAFT AND OF THE EJECTION
DEVICES IN 100 COMBAT AIRCRAFT WOULD REQUIRE ADDITIONAL FUNDS
OF ABOUT D.KR. 140 MILLION.

SECRET

PAGE 01 NATO 01186 03 OF 04 042118Z

71
ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15 TRSE-00

SAJ-01 SS-20 NSC-07 ACDA-19 OMB-01 AEC-11 DRC-01 /140 W

----- 111597

P R 041650Z MAR 74
FM USMISSION NATO
TO SECSTATE WASHDC PRIORITY 4412
SECDEF WASHDC PRIORITY
INFO AMEMBASSY COPENHAGEN

S E C R E T SECTION 3 OF 4 USNATO 1186

III. ASSESSMENT OF THE ECONOMIC AND FINANCIAL IMPLICATIONS

THE ECONOMIC SITUATION AND OUTLOOK

19. IN 1973 DENMARK'S GROSS NATIONAL PRODUCT PER CAPITA WAS THE SECOND HIGHEST IN NATO EUROPE AND THE THIRD HIGHEST IN THE ALLIANCE. ON THE OTHER HAND, THE PROPORTION OF GNP DEVOTED TO DEFENCE WAS 2.7 PER CENT, WELL BELOW THE NATO EUROPE AVERAGE OF 4.2 PER CENT, AS WELL AS BEING THE SECOND LOWEST SHARE IN NATO EUROPE AND THE THIRD LOWEST IN THE ALLIANCE. THE REAL GROWTH OF GNP IN 1973 WAS SATISFACTORY AT 5.5 PER CENT, BUT, AS IN MOST MEMBER COUNTRIES, INFLATION WAS SERIOUS WITH A 7.5 PER CENT RISE IN THE GNP PRICE DEFULATOR. THE LONG-TERM GROWTH RATE WAS EXPECTED TO AVERAGE 4 TO 4.5 PER CENT OVER THE REST OF THE DECADE ACCORDING TO VIEWS OF THE DANISH AUTHORITIES. THIS IS HIGHER THAN THE OECD ESTIMATE FOR THE SAME PERIOD OF 3.7 PER CENT YEARLY (1). HOWEVER, THE OIL CRISIS AND ITS REPERCUSSIONS COULD ESULT IN A SLOWER GROWTH RATE. IN 1974, PRECES COULD RISE BY AS MUCH AS 15 PER CENT AND THE BALANCE OF PAYMENTS AS IN MOST EUROPEAN COUNTRIES WILL SERIOUSLY DETERIORATE. HOWEVER, MEMBERSHIP IN THE EEC SHOULD IMPROVE CONSIDERABLY THE BALANCE OF PAYMENTS POSITION AND THUS THE LONGER TERM ECONOMIC OUTLOOK.

THE CURRENT FORCE PLANS AND EXPENDITUES

SECRET

PAGE 02 NATO 01186 03 OF 04 042118Z

20. INFORMATION ON THE DANISH FORCE PLAN WAS GIVEN BY THE DANISH AUTHORITIES IN THEIR REPLY TO DPQ(73). FOLLOWING A CUTBACK IN DEFENCE EXEPENDITURE IN REAL TERMS OF SOME 4 TO 5 PER CENT IN 1972/73 INCREASES OF BETWEEN 1 TO 2 PER CENT ARE PLANNED FOR EACH OF THE YEARS 1973/74 THROUGH 1976/77. AS A CONSEQUENCE REAL EXPENDITURE WILL REGAIN THE 1972/73 LEVEL BY 1975/76. FOR 1977/78 A 0 PER CENT INCREASE IS REPORTED. THE AVERAGE RATE OF INCREASE FROM 1975/76 IS THUS OF THE ORDER OF 1.5 PER CENT YEARLY. NO INFORMATION IS AVAILABLE ON THE REMAINING YEARS OF THE FORCE PROPOSAL PERIOD. FOR THE PURPOSE OF THE CALCUTATIONS IN THE FOLLOWING PARAGRAPHS IT HAS BEEN ASSUMED, HOWEVER, THAT THIS INCREASE IS PROJECTED AT THE SAME AVERAGE RATE FOR THE FOLLOWING THREE YEARS (SEE TABLE BELOW).

 (1) "EXPENDITURE TREANDS IN OECD COUNTRIES 1970-1980", JULY 1972

FINANCIAL AND ECONOMIC TABLE

DENMARK

(MILLION D. KR. - 1972 CONSTANT PRICES)

1975 1976 1977 1978 1979 1980

GROSS NAT'L PRODUCT 139,865 145,040 150,506 155,971 161,742 167,726
(AT FACTOR COST)(1)

DEFENSE EXPENDITURES

(A) PROJ EXP BASED ON

NAT'L PLANS (2) 3,582 3,636 3,691 3,746 3,802 3,859

(B) RPOJ EXP BASED ON

MINISTERIAL

GUIDANCE (3)

- & HIGHER GNP GROWTH 3,739 3,877 4,020 4,169 4,323 4,483

SECRET

PAGE 03 NATO 01186 03 OF 04 042118Z

- & LOWER GNP GROWTH 3,688 3,799 3,913 4,031 4,151 4,276

DEF EXP AS A PER CENT OF GNP

- NAT'L PLANS (A) ON 2.6 2.5 2.5 2.4 2.4 2.3

GROSS NAT'L PROD

NOTES

THE FIGURES SHOWN IN THE ABOVE TABLES ARE THE INTERNATIONAL STAFF'S PROJECTIONS OF THE LIKELY TREND OF GNP AND POSSIBLE ALTERNATIVE TRENDS IN DEFENSE EXPENDITURES. WHEREVER POSSIBLE, THEY ARE BASED ON THE DATA CONTAINED IN THE 1973 COUNTRY CHAPTER (DPC/D(73)23-DENMARK). SPECIFIC INFORMATION ON THE METHOD APPLIED TO THE CALCULATIONS IS PROVIDED IN THE FOLLOWING NOTES:

(1) BASIS EQUALS GNP FOR 1973 AT 1972 PRICES: D.KR. 130,063 MILLION
YEARLY PERCENTAGE CHANGE IN VOLUME: 3.7 PER CENT (1973-1980)
OECD PROJECTION.

NATIONAL PLANS INDICATE 4 - 4.5 PER CENT ECONOMIC GROWTH.

(2) BASED ON THE 1973 EXPENDITURE FIGURE (D.KR. 3,477 MILLION)
ADJUSTED TO 1972 PRICES (I.E. A PRICE RISE 1972-1973 OF 8.5 PER
CENT) AND INCREASED BY 1.5 PER CENT YEARLY.

(3) THE MINISTERIAL GUIDANCE (DPC/D(73)8) CONCERNING RESOURCES
(I.E. THE ALLOCATION TO DEFENSE OF A STABLE PROPORTION OF
THE GROWING NATIONAL WEALTH) APPLIED TO

- THE HIGHER GNP GROWTH RATE 3.7 PER CENT: (THE 1973 OECD
PROJECTION)

- THE LOWER GNP GROWTH RATE 3 PER CENT.

SECRET

PAGE 01 NATO 01186 04 OF 04 042139Z

71

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15 TRSE-00

SAJ-01 SS-20 NSC-07 ACDA-19 OMB-01 AEC-11 DRC-01 /140 W

----- 111834

P R 041650Z MAR 74

FM USMISSION NATO

TO SECSTATE WASHDC PRIORITY 4413

SECDEF WASHDC PRIORITY

INFO AMEMBASSY COPENHAGEN

S E C R E T SECTION 4 OF 4 USNATO 1186

ADDITIONAL EXPENDITURES REQUIRED TO COVER THE FORCE PROPOSALS

21. TENTATIVE ESTIMATES OF THE COSTS OF THE FORCE PROPOSALS WHICH ARE ADDITIONAL TO CURRENT COUNTRY FORCE PLANS ADD UP TO SOME D.KR. 8,000 MILLION, I.E. ABOUT 35 PER CENT MORE THAN THE AGGREGATE VALUE OF THE CURRENT NATIONAL PLAN (1). THIS SUM DOES NOT, HOWEVER, COVER 14 FORCE PROPOSALS WHICH COULD NOT BE COSTED BECAUSE OF THE NATURE OF THE PROPOSALS OR THE UNAVAILABILITY OF COST DATA. THE FINAL COST OF THE FORCE PROPOSAL MIGHT THEREFORE BE HIGHER THAN THE AMOUNT INDICATED ABOVE.

THE FEASIBILITY OF THE FORCE PROPOSALS

22. IN THE CASE OF DENMARK THE IMPLEMENTATION OF AN AVERAGE GROWTH RATE OF DEFENCE EXPENDITURES OF THE ORDER OF 1.5 PER CENT, AS IMPLICIT IN NATIONAL PLAN FIGURES IS WELL BELOW THE RATE INDICATED BY THE RESOURCE GUIDANCE WHICH MINISTERS GAVE TO THE NATO MILITARY AUTHORITIES IN JUNE 1973 (2) AND WHICH WOULD HAVE IMPLIED A YEARLY GROWTH RATE OF DEFENCE EXPENDITURES OF 3.7 PER CENT WHEN BASED ON PROJECTIONS OF GNP GROWTH REPORTED BY THE OECD IN 1972(3). THIS GROWTH RATE WOULD HAVE ADDED SOME D.KR. 2,300 MILLION OVER AND ABOVE THE LEVEL IMPLICIT IN THE CURRENT NATIONAL PLANS. THE ESTIMATES OF ADDITIONAL RESOURCES WOULD, OF COURSE, BE SOMEWHAT HIGHER (AT D.KR. 2,800 MILLION)

SECRET

PAGE 02 NATO 01186 04 OF 04 042139Z

IF THE CALCULATION WAS BASED ON NATIONAL ESTIMATES OF GNP GROWTH (4 TO 4.5 PER CENT). HOWEVER, IN VIEW OF THE OIL CRISIS AND ITS

LONG-TERM IMPLICATION FOR DENMARK, THE OECD ESTIMATE OF GNP GROWTH SHOULD BE CONSIDERED AS AT THE HIGHER END OF THE RANGE. IF, FOR EXAMPLE, A GROWTH RATE OF 3 PER CENT IS ASSUMED (AND A CONSTANT PROPORTION OF GNP ALLOCATED TO DEFENCE AS CALLED FOR IN THE MINISTERIAL GUIDANCE) THIS WOULD PRODUCE EXTRA RESOURCES FOR DEFENCE PURPOSES OF SOME D.KR. 1,540 MILLION. ON THE ABOVE ASSUMPTIONS BETWEEN 20 PER CENT AND 30 PER CENT OF THE FORCE PROPOSALS COULD BE FINANCED FROM THE ADDITIONAL RESOURCES THAT WOULD BECOME AVAILABLE. THE ADDITIONAL FINANCING REQUIRED TO IMPLEMENT ALL THE COSTED FORCE PROPOSALS WOULD REQUIRE A SUBSTANTIAL ANNUAL RISE IN THE DEFENCE BUDGET; HOWEVER, THIS WOULD IMPLY A DEFENCE SHARE OF GNP OF LITTLE MORE THAN 3 PER CENT BY 1980, A LEVEL STILL WELL BELOW THE CURRENT NATO EUROPEAN AVERAGE OF 4.2 PER CENT.

-
- (1) AS PROJECTED BY THE I.S. FOR THE YEARS 1975-1980 ON THE BASIS OF INFORMATION REPORTED IN DPC/D(73)23-DENMARK.
(2) DPC/D(73)8
(3) "EXPENDITURE TRENDS IN OECD COUNTRIES 1970-1980" JULY 1972.
-

FINANCIAL AND ECONOMIC IMPLICATIONS OF DRC RECOMMENDATIONS

23. (TO BE COMPLETED AFTER DRC REVIEW)

FINANCIAL ASSESSMENT OF THE FEASIBILITY OF THE DRAFT FORCE GOALS

24. (TO BE COMPLETED AFTER THE DRC REVIEW)

IV. RESULTS OF THE MULTILATERAL EXAMINATION BY THE DRC

25. THE MILITARY COMMITTEE HAS STATED THAT IT IS SATISFIED THAT IT FORCE PROPOSALS FOR 1975-1980 ARE COMPATIBLE WITH THE MINISTERIAL GUIDANCE, FULLY REFLECT THE THRUST OF AD 70 AND THE BASIC ISSUES, PROPERLY REFLECT THE MINIMUM REQUIREMENTS FOR THE MAJOR NATO COMMANDERS TO EXECUTE THEIR MISSIONS, INCLUDE
SECRET

PAGE 03 NATO 01186 04 OF 04 042139Z

PROPOSALS DESIGNED TO OFFSET THE CRITICAL DEFICIENCIES PREVIOUSLY IDENTIFIED IN COUNTRY FORCE PLANS, AND OFFER A CONSIDERABLE CHALLENGE TO NATIONS.

26. IN ACCORDANCE WITH THE PROCEDURE (1), THE DEFENCE REVIEW COMMITTEE HAS EXAMINED THE MILITARY COMMITTEE'S FORCE PROPOSALS ON BEHALF OF THE DEFENCE PLANNING COMMITTEE. ANALYSES OF THE NON-MILITARY IMPLICATIONS OF THE FORCE PROPOSALS AND THEIR POLITICAL, FINANCIAL AND ECONOMIC FEASIBILITY SUMMARISED ABOVE LEAD THE DEFENCE REVIEW COMMITTEE TO RECOMMEND CERTAIN AMENDMENTS AND MODIFICATIONS BEARING IN MIND THAT, IN DEVELOPING FORCE GOALS, IT SHOULD NOT BE THE AIM TO TAILOR MILITARY PROPOSALS TO A SIMPLE PROJECTION OF KNOWN COUNTRY PLANS; THE

GOALS SHOULD STRIKE A BALANCE BETWEEN MILITARY REQUIREMENTS, AVAILABLE RESOURCES AND POLITICAL CONSIDERATIONS. THEY SHOULD REPRESENT A DESIRABLE OBJECTIVE OF CO-ORDINATED NATO FORCE PLANNING AND PRESENT DENMARK WITH A REASONABLE CHALLENGE IN THE ALLOCATION AND EFFECTIVE APPLICATION OF RESOURCES(1)

(1) ANNEX 1 TO DPC/D(71)10, 19TH MAY, 1971

27. AS A RESULT, THE DEFENCE REVIEW COMMITTEE RECOMMENDS THE ADOPTION OF THE MILITARY COMMITTEE'S FORCE PROPOSALS AS NATO FORCE GOALS SUBJECT TO THE FOLLOWING CHANGES:

(TO BE COMPLETED AFTER DRC REVIEW)

V. LOW COST/NO COST ITEMS(2)

VI. OPPORTUNITIES FOR STANDARDISATION AND CO-OPERATION IN DEVELOPMENT AND PROCUREMENT OF WEAPON SYSTEMS(2)

VII. RECOMMENDATIONS(2)

(1) ANNEX 1 TO DPC/D(71)10, PARAGRAPH 22
(2) TO BE COMPLETED AFTER DRC REVIEW

END TEXT.

SECRET

PAGE 04 NATO 01186 04 OF 04 042139Z

MCAULIFFE

SECRET

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 11 JUN 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ATO01186
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS, 12-31-82
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740381/abbrytou.tel
Line Count: 575
Locator: TEXT ON-LINE
Office: n/a
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: USNATO 1014
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2002 by ifshinsr>; APPROVED <30-Aug-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NATO FORCE PROPOSALS/GOALS - DENMARK
TAGS: MCAP, NATO
To: STATE
SECDEF INFO COPENHAGEN
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005